

WARWICKSHIRE

pension fund

Victoria Moffett

Governance and Investments Update

Key Responsibilities

Governance

Valuation

Strategy

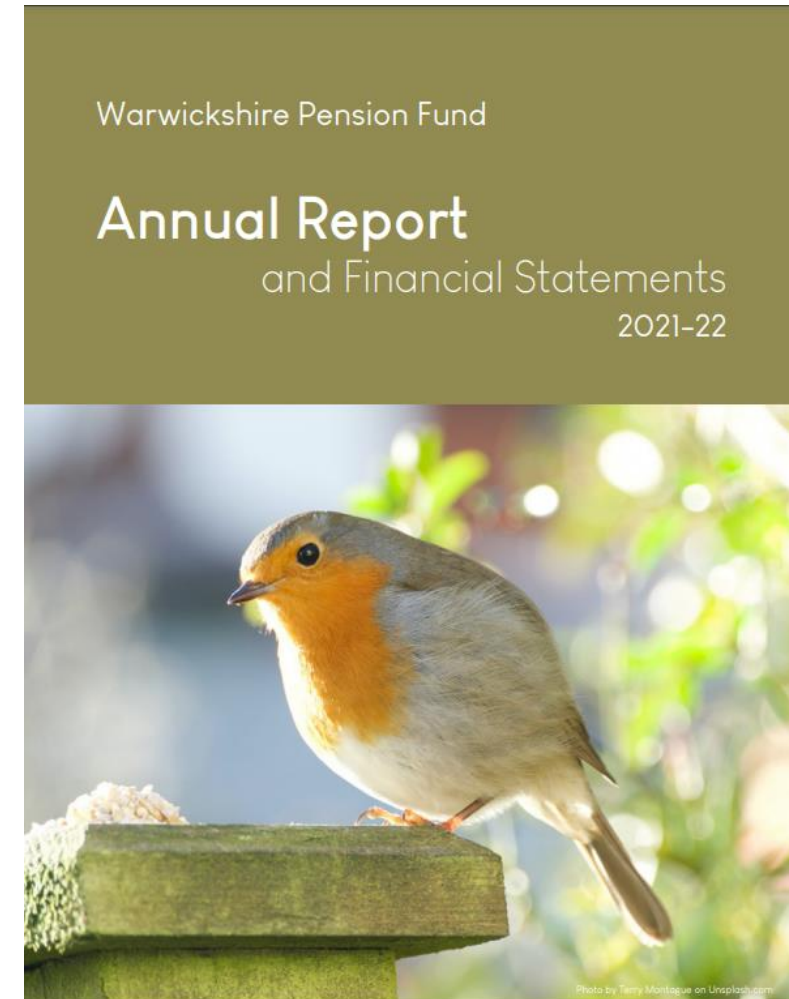
Implementation

Risk Register

Risk Category	Description	Risk Appetite	Risk Appetite Description
Liability profile	Risk that actual benefit costs are higher than expected leading to increased contributions or investment risk to make up the shortfall. This includes higher inflation, increased longevity and changes to the composition of membership i.e. maturing fund	Minimalist	Uncertainty is to be avoided unless essential; only prepared to accept the possibility of very limited financial loss
Governance	Actuarial, legal or investment advice is not sought, or is not heeded, or proves to be insufficient in some way. This includes Committee and officer skills, the decision-making structure and operational abilities.	Minimalist	Uncertainty is to be avoided unless essential; only prepared to accept the possibility of very limited financial loss
Climate risk	Climate change affects liabilities (increased mortality), operational processes (physical disruption), and investment returns (pricing into company returns and covenant).	Cautious	Tolerance for risk taking is limited to events where there is little chance of significant downside impact
Data	Administering Authority holds incorrect data so the Fund collects incorrect contributions and/or sets an inappropriate funding plan. This could impact the funding level.	Averse	Avoidance of risk and uncertainty is a key organisational objective
Financial - Matching Assets (strategic)	Requirement to manage operating cashflows and ensure assets meet liabilities over the lifetime of the Scheme.	Cautious	Tolerance for risk taking is limited to events where there is little chance of significant downside impact
Financial - Non-matching Assets (implementation)	Requirement to generate enough returns to meet future liabilities whilst minimising employer contributions.	Open	Tolerance for decisions with potential for significant risk, but with appropriate steps to minimise exposure
Regulatory	Changes by Government to LGPS rules e.g. employer participation, altered requirements. Also includes direct intervention. Could impact on funding and/or investment strategies	Averse	Avoidance of risk and uncertainty is a key organisational objective
Administration	Pensions Act/GDPR or other breaches as a result of process risks around holding data, in particular member data, but also asset administration and the Pension Fund's payroll.	Averse	Avoidance of risk and uncertainty is a key organisational objective

Policies

- Accounting policies
- Administration strategy
- Admissions and termination
- Annual report and financial statements
- Breaches
- Business plan
- Climate risk
- Communications
- Conflicts of interest
- Cyber security
- Funding strategy statement
- Governance
- Investment strategy
- Responsible investment
- Risk register
- Training
- Voting



Valuation

Funding Updates

Assumption setting

Results

Strategy

Cashflow Management

Macroeconomics

Strategic Asset Allocation

Carbon Footprint

Implementation

Purpose	Manager	Fund
Growth	LGIM	UK Equity
		Overseas Equity
		Fundamental Indexation Equity
	BCPP	UK Equity
		Global Equity
		Private Equity
HarbourVest	Private Equity	
Income	Schroders	Real Estate
	Threadneedle	Real Estate
	SL Capital	Infrastructure
	Partners	Infrastructure
		Private Debt
	Alcentra	Private Debt
	BCPP	Infrastructure
		Private Debt
		Multi-Asset Credit
Protection	BCPP	Investment Grade Credit
	LGIM	Corporate Bonds
		Index-Linked Bonds
	Custodian	Cash

Questions?

wpfinvestments@warwickshire.gov.uk